

# Economic Impact

Arnold Engineering Development Center's economic impact in Middle Tennessee was more than \$487 million for fiscal year 2001, a decrease of almost \$12 million from the previous fiscal year. The decrease was in construction expenditures and their indirect spinoffs.

The economic impact data and secondary employment estimates are based on the Tennessee Valley Authority economic impact model methodology. The Air Force model, which uses a different, more conservative methodology, shows economic impact at \$382.7 million, down \$5 million from the previous year. AEDC employed almost 2,835 people this year; these numbers include military personnel, civilian and contractor employees with the military making up about three and a half percent.

The total economic impact includes the center's payroll, sec-

ondary jobs created locally through the spending of that payroll and other direct expenditures.

Examples of secondary jobs would be those created to build new houses or jobs created at local supermarkets. Direct expenditure examples include money spent to pay for utilities, service contracts with outside vendors and military health insurance paid to local hospitals or doctors.

In addition to the 2,835 people employed at Arnold Air Force Base, including part-time and temporary employees, the center gave a boost to the local economy by creating some 1,956 secondary jobs for a total of almost 4,800 jobs related to AEDC.

The payroll for AEDC government personnel and contractor employees was almost \$138 million. Other direct AEDC expenditures were more than \$176 million with the approximate payroll for the secondary jobs exceeding \$51 million.

AEDC remains the single largest employer in Coffee and Franklin counties. The center employs about 1,260 people in Coffee County and 705 from Franklin County.

Not reflected in AEDC's economic impact are the approximately 3,500 military retirees living in the local area surrounding Arnold Air Force Base who receive about \$50 million in retirement pay, or the retirement pay of several hundred government civilian employees and contractor personnel from AEDC.

The current replacement value for the aerospace testing complex at Arnold Air Force Base is more than \$7 billion.

## Fiscal 2000 Economic Impact Data

### TVA Model Estimates for AEDC

As of Sept. 30, 2001

#### Direct Employment at AEDC

Military	102
Government Civilian	202
Non-appropriated Fund	52
Sverdrup/ACS	2,531
AEDC Federal Credit Union	5
Base Exchange	5
<b>Total</b>	<b>2,835</b>
Secondary Jobs Created	1,956
<b>Total Employment Impact</b>	<b>4,791</b>

#### Economic Impact (in millions)

Non-construction Expenditure	\$ 330.5
Indirect Spin-off Impact	\$ 155.3
Construction Expenditures	\$ 0.6
Indirect Spin-off Impact	\$ 1.2
<b>Total Direct Expenditures</b>	<b>\$331.2</b>
<b>Total Indirect Expenditures</b>	<b>\$156.4</b>

**Total Economic Impact \$487.5**

## AEDC Work Force Demographics



**Total Employment 2,835**

**Total Economic Impact \$487.5M**